



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Response to Request for Information Inquiry 1

Prepared for the
House Committee on Transportation

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Inquiry 1

How has the COVID-19 pandemic affected state agencies, interested parties, and the public as it relates to transportation matters?

Summary

The primary impact of COVID-19 on transportation matters related to the Texas Department of Motor Vehicles (TxDMV) has been financial. Waivers put in place by Governor Greg Abbott, including those allowing Texans to delay title and registration transactions, have resulted in lost and deferred revenues to the State Highway Fund (Fund 0006), the TxDMV Fund (Fund 0010), and the General Revenue Fund (Fund 0001).

Revenue Impact

Total Revenue Impact

For Fiscal Year 2020, TxDMV data reflects a total decline of \$157.49 million in previously projected revenue to the State, of which \$34.70 million is anticipated to be deposited in FY 2021.

Impact to State Highway Fund

For FY 2020, TxDMV data reflects a decline of \$127.50 million in previously projected revenue to the State Highway Fund, of which \$32.86 million is anticipated to be deposited in FY 2021.

Impact to TxDMV Fund

For FY 2020, TxDMV data reflects a decline of \$19.90 million in previously projected revenue to the TxDMV Fund, of which \$1.85 million is anticipated to be deposited in FY 2021.

Impact to General Revenue

For FY 2020, TxDMV data reflects a decline of \$10.09 million in previously projected revenue to the General Revenue Fund.

Background

On March 13, 2020, Governor Greg Abbott declared a state of disaster in all Texas counties in response to the global COVID-19 pandemic. Pursuant to Section 418.016, Government Code, the disaster declaration provided that “any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor.”

The following statutory and regulatory requirements were suspended to cope with the disaster.

Suspension of Certain Motor Carrier Requirements

Effective March 13, 2020, requirements for motor carriers to obtain temporary registration permits or apportioned registration and to obtain an oversize or overweight permit were suspended if the carrier is transporting supplies, medical equipment, and similar materials necessary for preparing for, responding to, and mitigating the spread of COVID-19.

As of the date of this report, these suspensions remain in effect.

Suspension of Certain Motor Vehicle Registration and Title and Parking Placard Requirements

Effective March 16, 2020, requirements to obtain the following were waived:

- Initial vehicle registration
- Vehicle registration renewal
- 30-day temporary permit renewal
- Vehicle title transfer
- Permanent disabled parking placard renewal

The purpose of these waivers is to prevent customers from needing to physically visit a county tax assessor-collector's office to conduct in-person transactions. The waivers remain in effect until 60 days after TxDMV notifies the public that normal services have resumed. Customers may continue to renew their vehicle registration online at www.TxDMV.gov or www.Texas.gov.

As of the date of this report, these waivers remain in effect.

Financial Impacts

Revenue Impacts Related to COVID-19

The figures shown in the tables below are the differences from FY 2020 revenue projections and actuals. The table compares the original FY 2020 forecasts to the actual collections with the impacts of the COVID-19 pandemic.

Note: Of the \$105.91 million shown as a revenue loss/variance within FY 2020 for State Highway Fund 0006 registration fees, \$32.86 million is revenue that is postponed and is expected to be deposited in FY 2021. The associated processing and handling fee on registration transactions is effectively postponed as well, with \$1.85 million of the FY 2020 \$4.26 million loss/variance (in Fund 0010) expected to be deposited in FY 2021.

Funds 0001, 0006, and 0010 Estimated FY 2020 Revenue Impact

Combined Revenue (Funds 0001, 0006, and 0010)	Waived	Postponed until FY 2021	Economic Impact	Variance within FY 2020
Motor Vehicle Certificates of Title	\$ (7,020,000)	\$ -	\$ (4,027,097)	\$ (11,047,097)
Motor Vehicle Registration	\$ (16,944,000)	\$ (32,856,000)	\$ (59,476,555)	\$ (109,276,555)
Motor Carrier - Oversize/Overweight	\$ -	\$ -	\$ (30,942,620)	\$ (30,942,620)
Motor Carrier Credentialing	\$ -	\$ -	\$ (271,686)	\$ (271,686)
Motor Vehicle Business Licenses	\$ -	\$ -	\$ (674,169)	\$ (674,169)
Miscellaneous Revenue	\$ -	\$ -	\$ (1,026,197)	\$ (1,026,197)
Processing and Handling Fee	\$ (934,000)	\$ (1,848,000)	\$ (1,473,388)	\$ (4,255,388)
Total Combined Funds	\$ (24,898,000)	\$ (34,704,000)	\$ (97,891,711)	\$ (157,493,711)
General Revenue Fund (Fund 0001)	Waived	Postponed until FY 2021	Economic Impact	Variance within FY 2020
Motor Vehicle Certificates of Title	\$ -	\$ -	\$ (2,980,989)	\$ (2,980,989)
Motor Vehicle Registration	\$ -	\$ -	\$ 706,163	\$ 706,163
Motor Carrier - Oversize/Overweight	\$ -	\$ -	\$ (7,379,115)	\$ (7,379,115)
Motor Carrier Credentialing	\$ -	\$ -	\$ (271,686)	\$ (271,686)
Miscellaneous Revenue	\$ -	\$ -	\$ (166,459)	\$ (166,459)
Total General Revenue Fund	\$ -	\$ -	\$ (10,092,087)	\$ (10,092,087)
State Highway Fund (Fund 0006)	Waived	Postponed until FY 2021	Economic Impact	Variance within FY 2020
Motor Vehicle Certificates of Title	\$ -		\$ (739,000)	\$ (739,000)
Motor Vehicle Registration	\$ (16,944,000)	\$ (32,856,000)	\$ (56,113,097)	\$ (105,913,097)
Motor Carrier - Oversize/Overweight	\$ -		\$ (20,851,114)	\$ (20,851,114)
Total State Highway Fund	\$ (16,944,000)	\$ (32,856,000)	\$ (77,703,210)	\$ (127,503,210)
TxDMV Fund (Fund 0010)	Waived	Postponed until FY 2021	Economic Impact	Variance within FY 2020
Motor Vehicle Certificates of Title	\$ (7,020,000)	\$ -	\$ (307,108)	\$ (7,327,108)
Motor Vehicle Registration	\$ -	\$ -	\$ (4,069,622)	\$ (4,069,622)
Motor Carrier - Oversize/Overweight	\$ -	\$ -	\$ (2,712,391)	\$ (2,712,391)
Motor Vehicle Business Licenses	\$ -	\$ -	\$ (674,169)	\$ (674,169)
Miscellaneous Revenue	\$ -	\$ -	\$ (859,738)	\$ (859,738)
Processing and Handling Fee	\$ (934,000)	\$ (1,848,000)	\$ (1,473,388)	\$ (4,255,388)
Total TxDMV Fund	\$ (7,954,000)	\$ (1,848,000)	\$ (10,096,414)	\$ (19,898,414)

Table 1. Revenue Impacts Related to COVID-19

Estimated FY 2020 Revenue Impact of TxDMV Fees Waived or Postponed						
Fee	Statutory Citation	Fund	Payer of Fee	Waived/Postponed	Fee-Loss Estimate	Postponed until FY 2021
Delinquent Title Transfer Penalty	501.146(a)	0010	Dealer	waived	\$ (1,283,000)	\$ -
Delinquent Title Transfer Penalty	501.146	0010	Individual	waived	\$ (5,737,000)	\$ -
Temporary Permit (72-hour)	502.094(c)(2)	0006	Motor Carrier	waived*	\$ (2,633,000)	\$ -
Temporary Permit (144-hour)	502.094(c)(2)	0006	Motor Carrier	waived*	\$ (6,791,000)	\$ -
Temporary Permit (30-Day)	502.095(e)(2)(B)	0006	Individual	waived*	\$ (7,520,000)	\$ -
Processing and Handling Fee	502.1911(b)	0010	Individual	postponed/waived	\$ (934,000)	\$ (1,848,000)
Annual-Registration Fee	502.252-502.256	0006	Individual	postponed	\$ -	\$ (32,856,000)
					\$ (24,898,000)	\$ (34,704,000)

Table 2. Revenue Impact of TxDMV Fees Waived or Postponed

Expenditures Related to COVID-19

The Fiscal Year 2020 cost of the department's COVID-19 response is \$1,750,327. These costs are primarily the result of staff time for planning and preparation of the department's COVID-19 response activities, the acquisition of personal protective equipment (PPE) for employees and customers and cleaning supplies, and facility-related expenses such as cleaning, defogging, and the installation of plexiglass partitions for public areas.

The following table provides monthly actuals for March through June by Object of Expense and expenditure estimates for the remaining months of FY 2020.

TxDMV COVID 19 Obligations by Month							
Description	Actuals						Total
	March	April	May	June	July	August	
Salaries and Wages	\$ 238,247.50	\$ 262,130.47	\$ 184,298.49	\$ 131,119.04	\$ 134,447.68	\$ 105,162.21	\$ 1,055,405.39
Other Personnel costs	\$ 1,191.24	\$ 1,310.65	\$ 694.65	\$ 347.32	\$ 672.24	\$ 525.81	\$ 4,741.91
Professional Fees and Services	\$ -	\$ 114,889.58	\$ (72,674.12)	\$ 9,625.30	\$ -	\$ -	\$ 51,840.76
Consumable Supplies	\$ 898.62	\$ 12,802.14	\$ 123,391.90	\$ 15,008.29	\$ 153.37	\$ 250.82	\$ 152,505.14
Utilities	\$ 3,762.44	\$ 20,533.02	\$ 3,502.31	\$ 1,417.20	\$ 1,574.93	\$ 976.76	\$ 31,766.66
Other Operating Expense	\$ (4,969.82)	\$ 40,981.23	\$ 324,362.87	\$ 28,289.91	\$ 63,486.38	\$ 1,916.81	\$ 454,067.38
	\$ 239,129.98	\$ 452,647.09	\$ 563,576.10	\$ 185,807.06	\$ 200,334.60	\$ 108,832.42	\$ 1,750,327.24
General Revenue Fund	\$ 1,589.82	\$ 879.53	\$ 29,353.24	\$ 293.18	\$ 542.37	\$ 351.81	\$ 33,009.95
Texas Department of Motor Vehicles Fund	\$ 237,540.16	\$ 451,767.57	\$ 534,222.86	\$ 185,513.89	\$ 199,792.23	\$ 108,480.60	\$ 1,717,317.30
	\$ 239,129.98	\$ 452,647.09	\$ 563,576.10	\$ 185,807.06	\$ 200,334.60	\$ 108,832.42	\$ 1,750,327.24

Table 3. COVID-19-Related Expenditures

MVCPA Grantee Expenditures

The Motor Vehicle Crime Prevention Authority (MVCPA), which is administratively attached to TxDMV, fosters a statewide cooperative network of law enforcement groups, prosecutors, insurance industry representatives, tax assessor-collectors, and concerned citizens to combat vehicle theft and burglary through enforcement, prevention, public information, and other initiatives.

MVCPA awards financial grants to law enforcement to curtail auto theft and burglary. MVCPA grants are funded by General Revenue appropriations. MVCPA grantees report expending \$145,000 in grant funding on expenses directly related to COVID-19.